

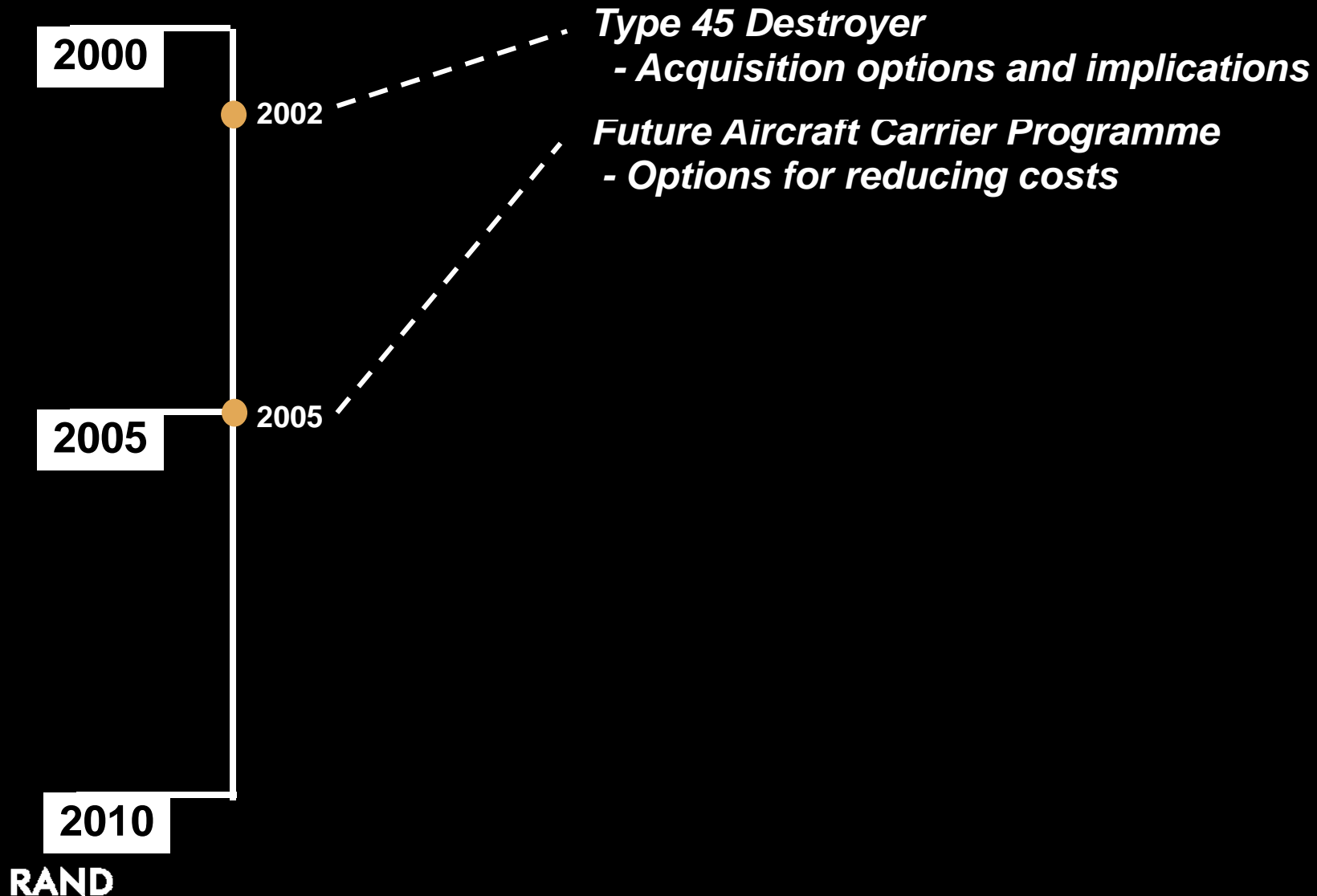


# ***Rebuilding Naval Fleets***

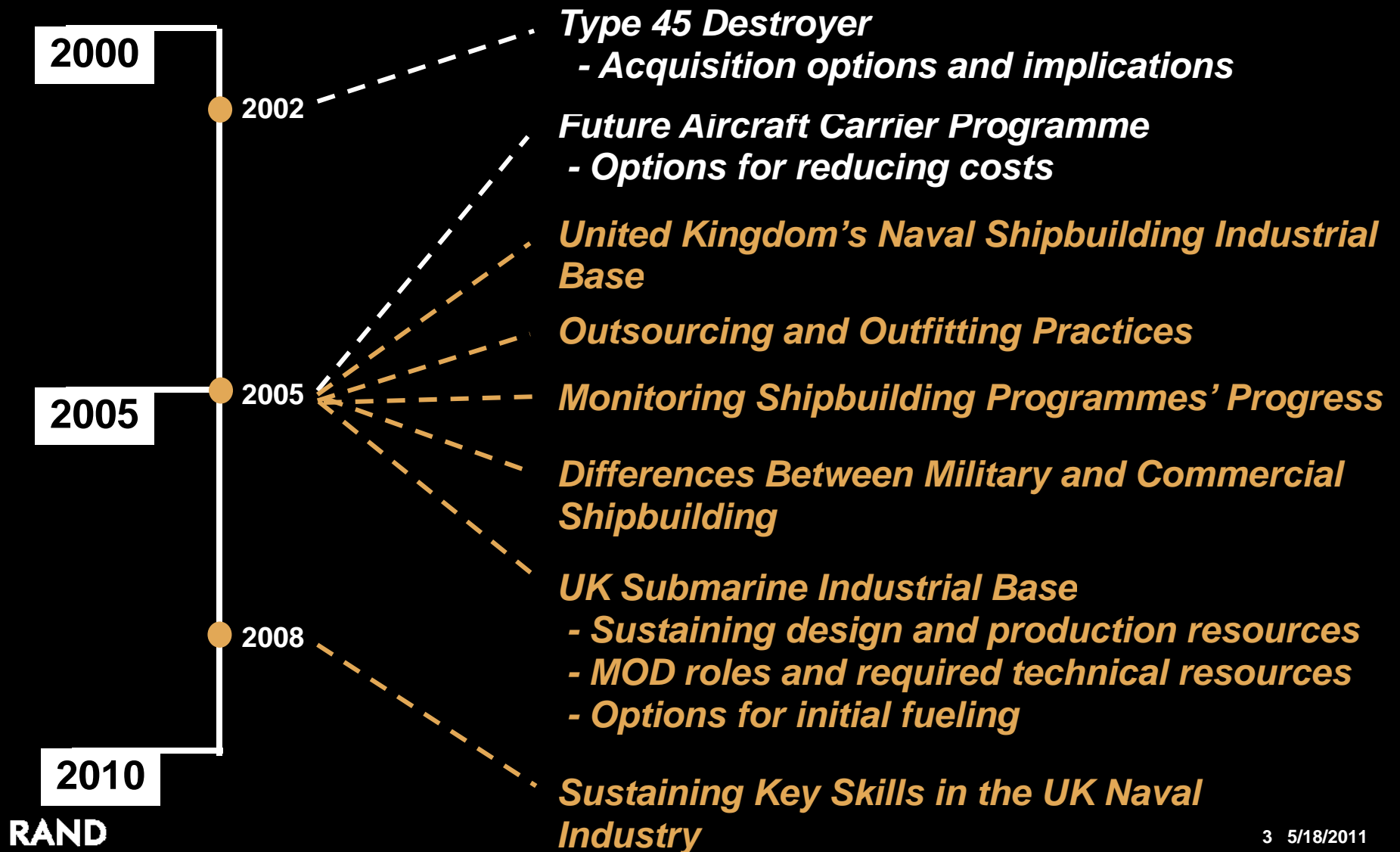
***Lessons Learned from the UK Experience***

Report Documentation Page				Form Approved OMB No. 0704-0188	
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1. REPORT DATE <b>MAY 2011</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2011 to 00-00-2011</b>	
4. TITLE AND SUBTITLE <b>Rebuilding Naval Fleets. Lessons Learned from the UK Experience</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Rand Corporation,PO Box 2138,Santa Monica,CA,90407-2138</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES <b>Presented at the Naval Postgraduate School's 8th Annual Acquisition Research Symposium, 10-12 May 2011, Seaside, CA. U.S. Government or Federal Rights License</b>					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>16</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

# *Since 2000, MOD Has Engaged RAND to Stud\_ Ma\_or UK Warshi\_ Pro\_rams . . .*



# *... and to Evaluate the UK's Maritime Industrial Base and Shipbuilding Processes*

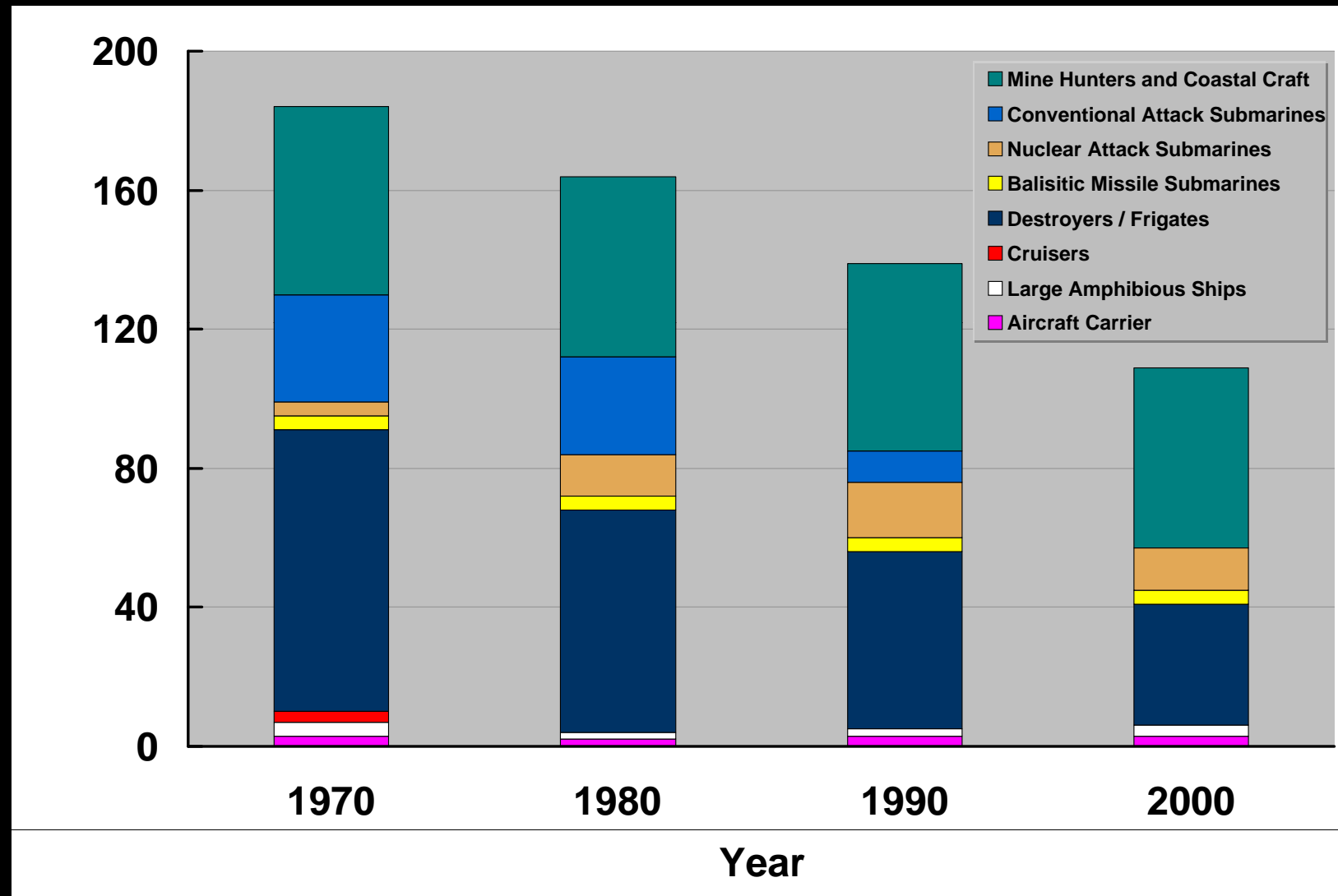


# *Think of Two Periods for UK Naval Programs*

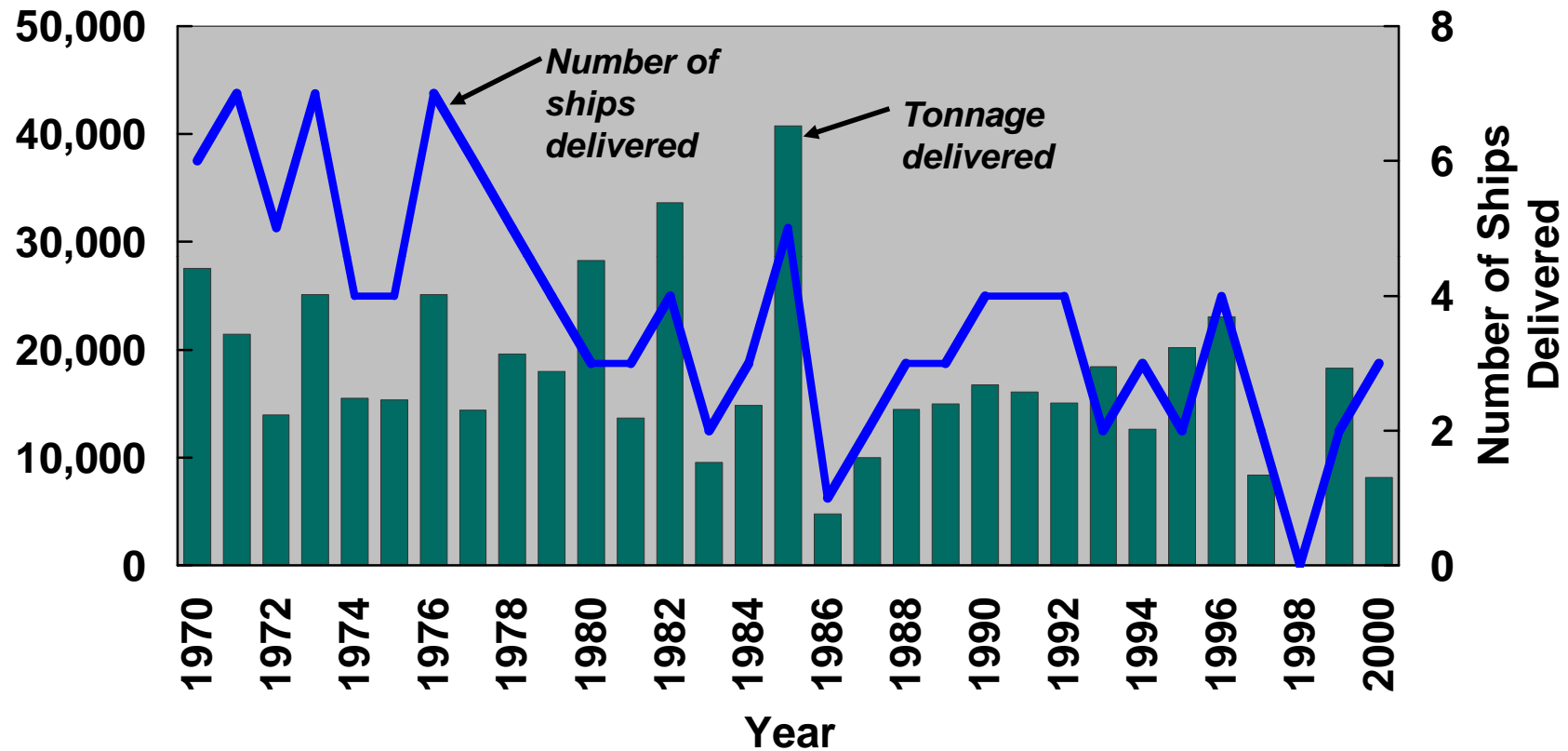
## **1990 to 2000**

- **End of Cold War led to force draw down**
    - **Need for less capability**
    - **Money was not the issue**
  - **Competition was king**
  - **Fixed price contracts were the norm**
  - **Responsibilities shifted to industry**
  - **Decade ended with ambitious shipbuilding plans**
- 
- **2000 to 2010**

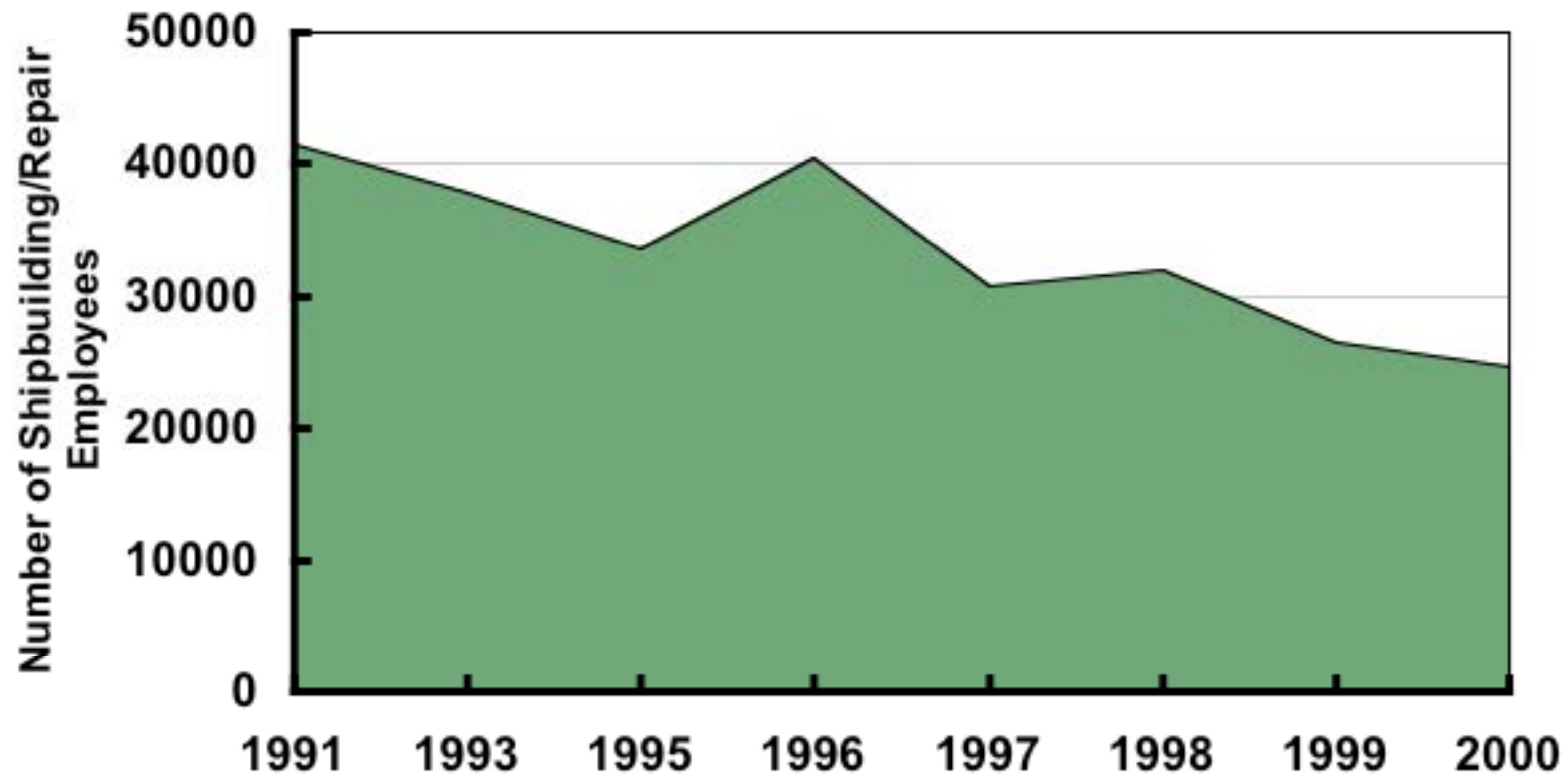
# *Post-Cold War Force Reflected Lower Requirements*



## *And Led to Declining Combatant Deliveries. . .*

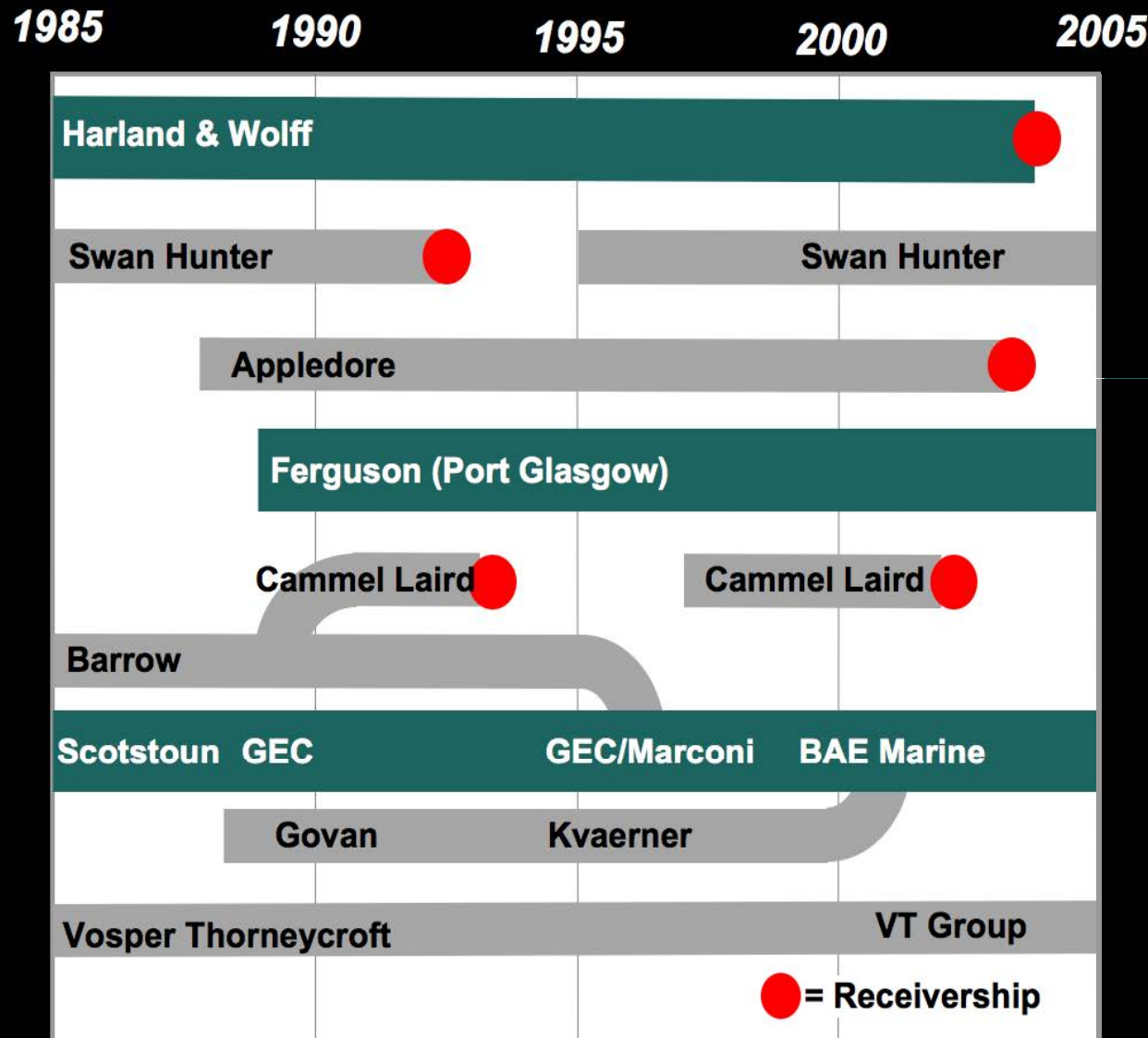


## *... And Declining Shipbuilding and Repair Employment...*

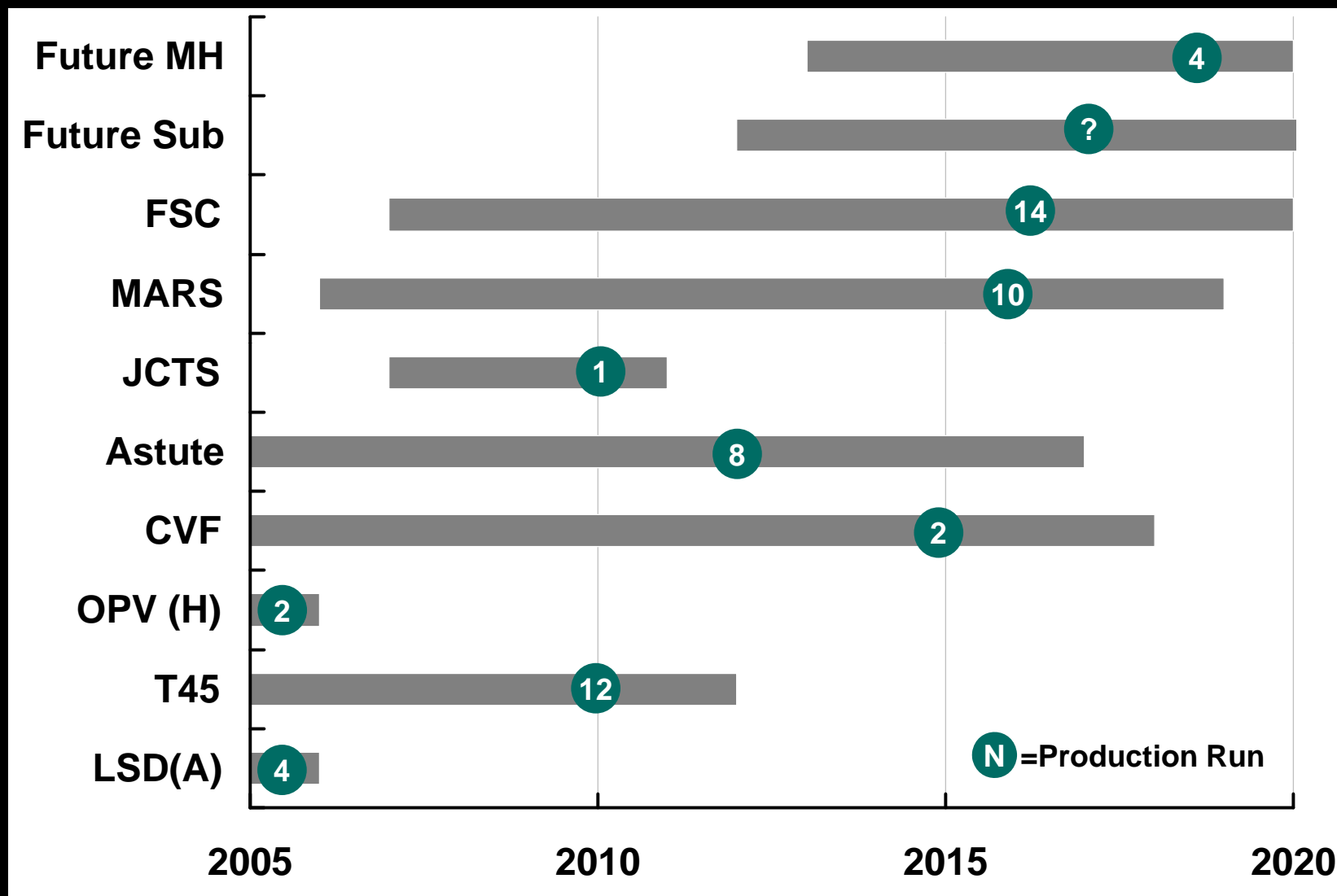




# *... That Occasioned Bankruptcies and Consolidation in UK Shipbuilding Industry*



# *In 2000, the UK Announced an Ambitious Shipbuilding Plan*



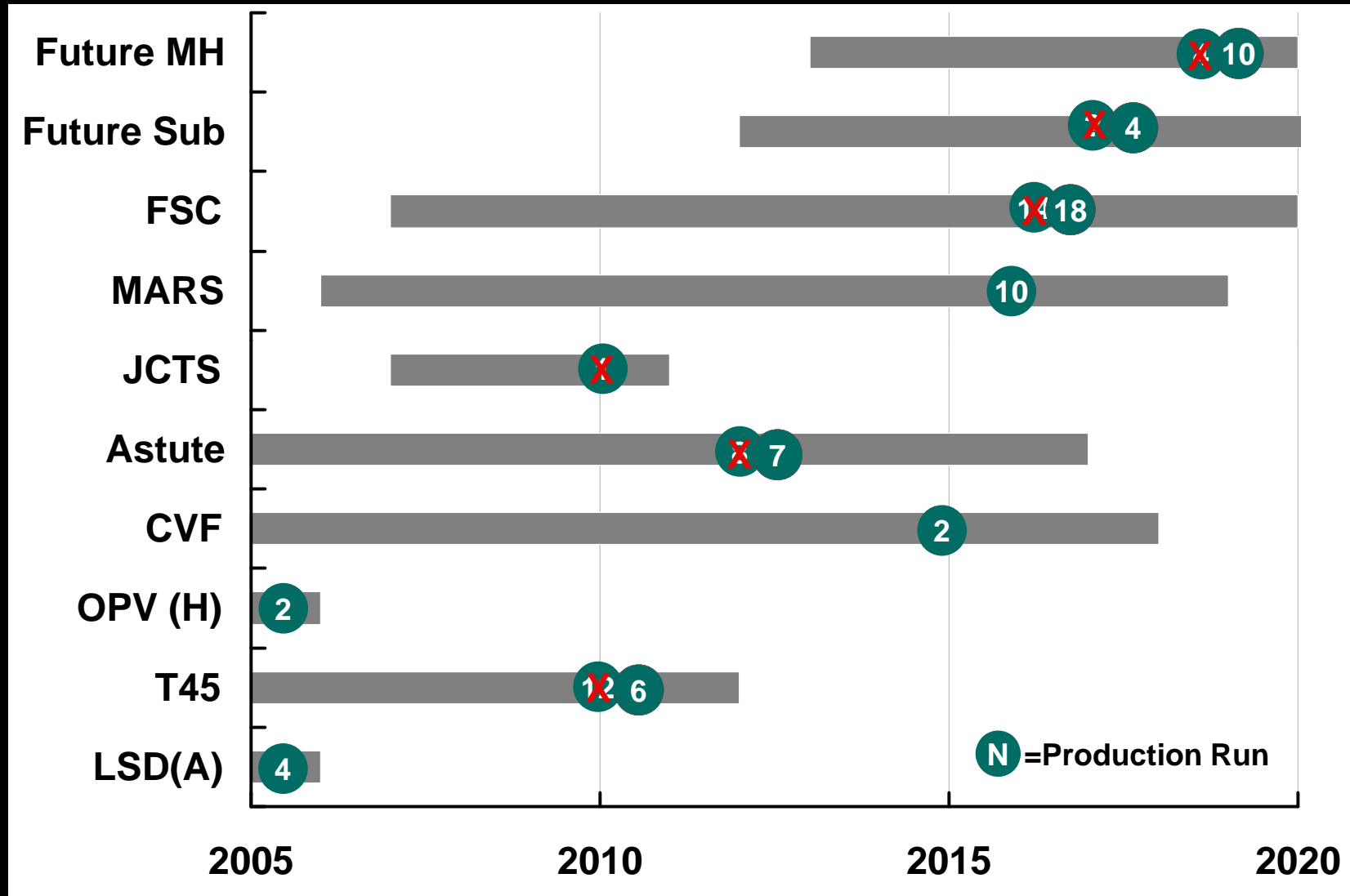
# *Think of Two Periods for UK Naval Programs*

**1990 to 2000**

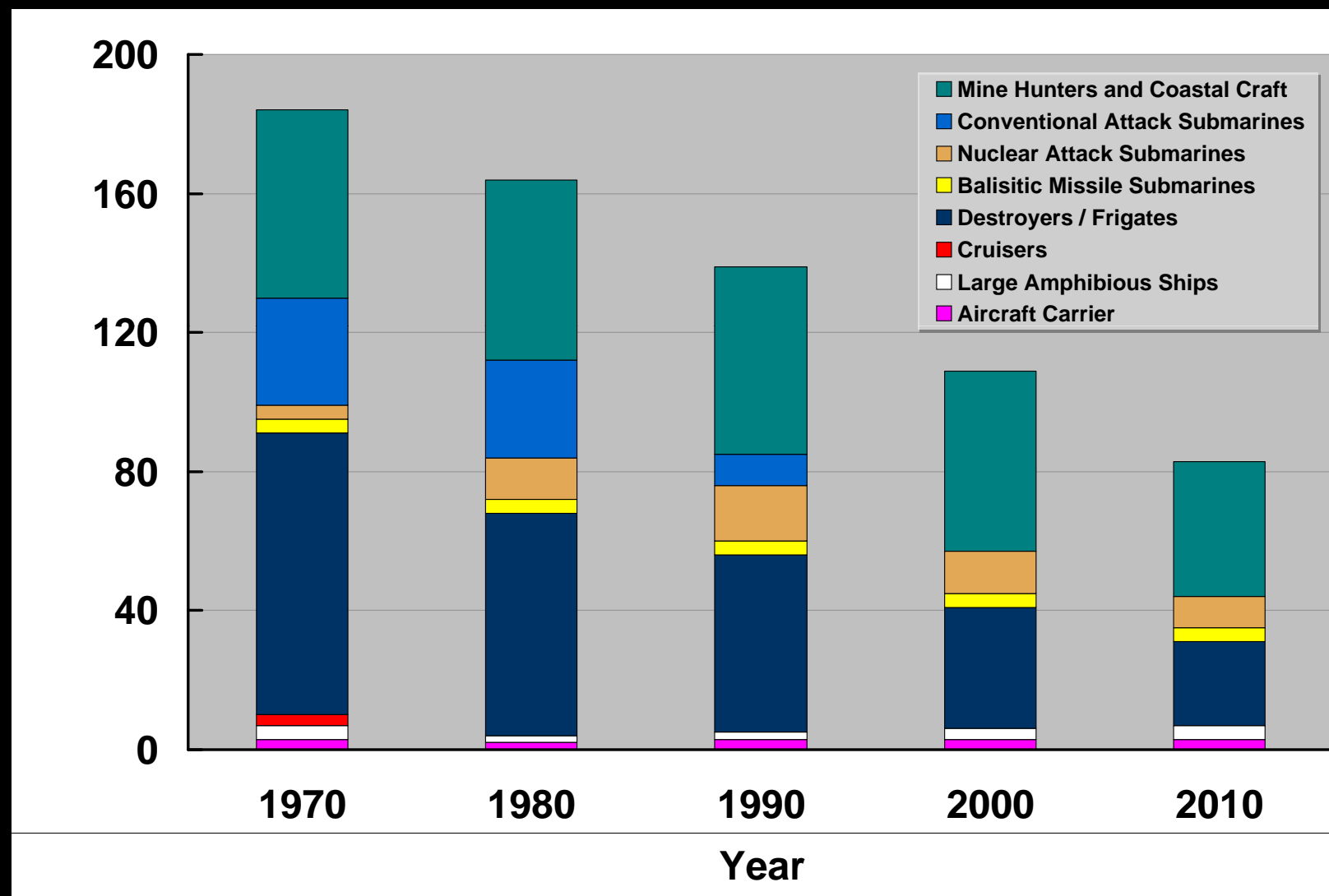
**2000 to 2010**

- **Competition wasn't working**
- **Cost and schedule problems**
  - **Astute**
  - **Type 45**
- **Money became tight**
- **Defense Industrial Strategy; Maritime Industrial Strategy**
- **Industry consolidation**
- **Terms of Business Agreement**

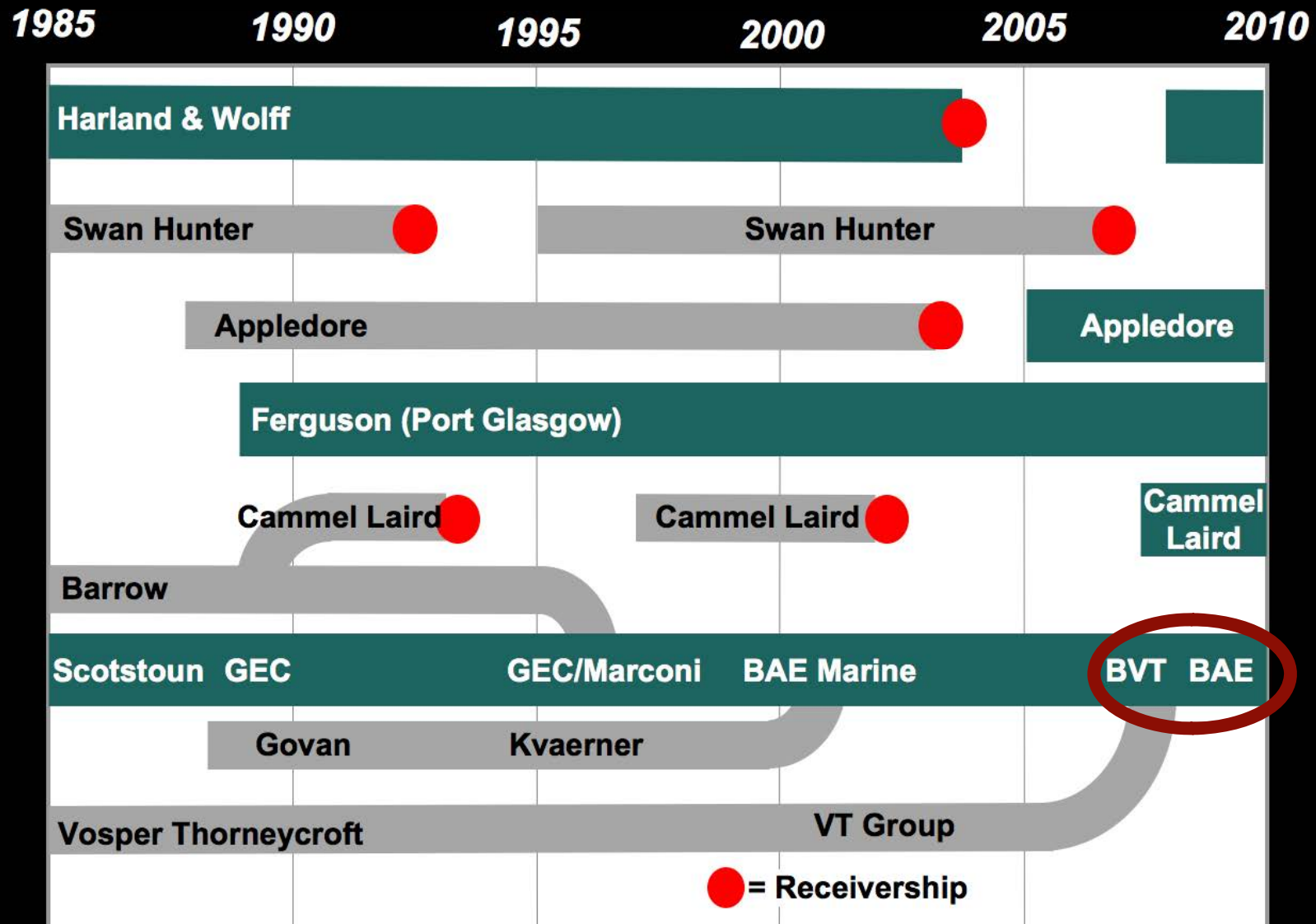
# *Ambitious Plans Have Been Scaled Back*



## *And the Fleet Continues to Shrink*



# As Shipbuilding Industry Base Consolidated



# ***What Should US Defense and Industry Leaders Take Away from the UK Experience?***

- In recent past, UK defense policymakers
  - Didn't pay close-enough attention to nor act upon long-term needs
  - Let government technical and program management skills atrophy
  - Shifted too much responsibility and risk to shipbuilders
  - Held a laissez faire economic attitude regarding shipbuilding industrial base
    - Mergers/acquisitions
    - Bankruptcies
- Today, MOD is playing catch-up to redress these shortcomings
  - Redressing these issues simultaneously, and quickly, will be challenging

## ***Lessons for the U.S. (?)***

- **Take a long-range strategic view**
- **Use consolidated plans not program specific**
- **Sustain key resources**
- **Choose when to use competition**
- **Choose when to use fixed price contracts**
- **Be prepared to close shipyards**



# Our UK Ministry of Defence Work Has Covered Broad Range of Issues

